

## Neogen Chemicals (NEOGEN) – BUY

### Company Update

Current Market Price (CMP)

**Rs.1,504**

Fair Value (FV)

**Rs.1,840**

### Rationale:

- A fast-growing specialty chemical company, gearing up for a multifold scale-up.
- The first mover and credible entrant in India's promising EV battery chemicals space.
- We estimate 34%/40% revenue/EPS CAGRs for Neogen over FY23-29E.
- Commencement of battery chemical revenues.
- Supported by healthy growth in base business of bromine/lithium derivatives.
- DCF-based March 2025 FV stands at Rs1,840. Initiate with BUY.

(EV-Electric vehicles; EPS-Earnings Per Share; DCF-Discounted Cash Flow; CAGR-Compound annual growth rate)

### Company Update:

#### **Positives:**

- Initiate with BUY—a credible growth story with substantial potential.
- Highly qualified, experienced and well-regarded promoters.
- Track record of rapid growth enabled by innovation and enterprise.
- Partnerships with the likes of Mitsubishi and global customers.

#### **Negatives:**

- Balance sheet leverage has been an area of concern.
- Any delay in project commissioning or ramp-up are key risks.

[Click here](#)

For detailed report dated 24<sup>th</sup> April 2024. Note: CMP & valuation may differ due to difference in dates.



This is a synopsis of the Research report issued by Kotak Securities Limited. This is not a comprehensive report and before taking any investment decision we request you to refer the detailed report including disclaimers by clicking here: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months / Disclaimer: <https://bit.ly/research-v2>